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INTERNET CORPORATION FOR ASSIGNED
NAMES AND NUMBERS

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

**DOTSTER, INC., GO DADDY
SOFTWARE, INC., and eNOM,
INC.,**

Plaintiffs,

v.

**INTERNET CORPORATION
FOR ASSIGNED NAMES AND
NUMBERS,**

Defendant.

Case No. CV-03-5045-JFW

**DECLARATION OF BENJAMIN R.
TURNER (OF VERISIGN, INC.) IN
OPPOSITION TO PLAINTIFFS'
MOTION FOR A TEMPORARY
RESTRAINING ORDER AND
PRELIMINARY INJUNCTION**

1 **DECLARATION OF BENJAMIN R. TURNER**
2 **IN OPPOSITION TO PLAINTIFFS' MOTION FOR A TEMPORARY**
3 **RESTRAINING ORDER AND PRELIMINARY INJUNCTION**
4

5 I, Benjamin R. Turner, hereby declare and state:

6
7 1. I am the Vice President of Naming Services, a division of VeriSign Naming
8 and Directory Services, the business unit of VeriSign, Inc. that operates VeriSign's
9 .com/.net registries, and have been employed with VeriSign and its predecessor
10 operator of the registry, Network Solutions, Inc., since 1997.

11 2. I have personal knowledge of the facts set forth in this declaration and, if
12 called upon to do so, I could testify competently thereto.

13 3. As Vice President of Naming Services, I am familiar with the history and
14 organization of VeriSign; the structure and development of the Internet domain name
15 system; the function and operation of registries and registrars within that system; the
16 structure, organization, and operation of the VeriSign registries for .com and .net; and
17 the history, development, and role of the Wait List Service offered by VeriSign
18 ("WLS"). As part of my duties and responsibilities for VeriSign, I also make a point
19 to stay generally informed about the contents of publicly posted documents on the
20 Internet discussing WLS.

21 **I. THE INTERNET DOMAIN NAME SYSTEM**

22 4. To understand the purpose and function of WLS, it is first necessary to
23 understand the manner in which the Internet's domain name system works. The
24 Internet is a vast network of interconnected computers and computer networks.
25 Every computer connected directly to the Internet has a unique address. These
26 addresses, which are known as Internet Protocol ("IP") numbers, are necessary for
27 computers to "communicate" with each other over the Internet. An example of an IP
28 number might be: 98.27.241.30.

1 5. Because IP numbers can be cumbersome and difficult for Internet users to
2 remember or to use, the IP number system has been overlaid with a more “user-
3 friendly” system of domain names. This overlay associates a unique alpha-numeric
4 character string – or “domain name” – with a specific IP number.

5 6. Internet domain names consist of a string of “domains” separated by
6 periods. “Top level” domains, or “TLDs”, are found to the right of the period and
7 include (among others) the domains “.com,” “.gov,” “.net” and “.biz,” which are
8 sometimes referred to as “generic” TLDs (known as “gTLDs”). “Second level”
9 domains (“SLDs”) are those immediately to the left of the top level domains, such as
10 “uscourts” in “uscourts.gov.”

11 7. There are approximately 250 different top level domains, which are
12 administered and operated by numerous different entities, both inside and outside of
13 the United States. Some of these top level domains are referred to as country code
14 TLDs (known as “ccTLDs”), including, for example, “.jp” (Japan) and “.ca”
15 (Canada). There are over 50 million second-level domains within the various TLDs.

16 8. Because domain names are essentially “addresses” that allow computers
17 connected to the Internet to communicate with each other, each domain name must be
18 unique, even if it differs from another domain name by only one character (*e.g.*,
19 “uscourts.com” is different from “uscourt.com” or “us-courts.com”). A given domain
20 name, therefore, can be registered to only one entity.

21 9. As the “registry” for the SLDs in .com and .net TLDs, VeriSign maintains
22 the definitive directory that associates registered domain names in these TLDs with
23 the corresponding IP numbers of the respective domain name servers. These domain
24 name servers are independent of the registry and, accordingly, beyond its control.
25 The domain name servers, in turn, associate the domain names with resources such as
26 websites and email systems on the Internet.

27 10. A domain name does not exist until it is created and registered in the
28 registry’s master database. The individual or organization that creates and registers a

1 specific domain name is a “registrant.” Registrants do not have direct access to the
2 VeriSign registry. Instead, prospective registrants must register domain names they
3 have created through any one of over 100 private and public companies located
4 throughout the United States and the world that act as domain name “registrars” for
5 the .com and .net TLDs. Registrars provide direct services to registrants and
6 prospective registrants, such as processing domain name registrations. The VeriSign
7 registry has no contractual or other relationship with a registrant, and in fact has no
8 information on or knowledge of who is the registrant of a domain name. Registrars
9 have a contractual relationship with registrants and keep all information as to the
10 registrant.

11 11. Registering, transferring, and deleting a domain name requires interaction
12 between a registrar and the registry. This interaction is highly structured and
13 automated, and takes place through a Registry-Registrar Protocol (“RRP”). Registry-
14 registrar communications occur over a secure electronic connection. The registry’s
15 role is entirely passive and automated – namely to process registrars’ domain name
16 registration requests on behalf of registrants, comparing those requests against the
17 registry tables of registered domain names to prevent duplicate registrations of the
18 same domain name and registering the domain name in the registry database if it is
19 not already registered.

20 12. Registrars initiate all changes to the registry database with respect to a
21 particular domain name record by issuing electronic commands to the registry, such
22 as “add,” “check,” “delete,” “transfer,” and “renew,” all as more fully described in
23 the Registry-Registrar Protocol. VeriSign can only register domain names in its
24 database in response to requests from registrars.

25 13. Registrars submit their customers’ (“registrants”) registration requests to
26 the applicable TLD registry to determine if a requested domain name is available for
27 registration, *i.e.*, that the domain name is not already registered to someone else. In
28 connection with VeriSign’s operation of the registry for the .com and .net TLDs, if a

1 requested domain name is not already in the registry's database, the registry's
2 computer will record the new domain name, the corresponding IP number(s) of
3 associated domain name servers, and the name of the registrar effectuating the
4 registration for the customer-registrant, in its master database. The registration
5 process is then complete.

6 **II. ICANN**

7 14. In March 1999, the United States Department of Commerce ("DOC")
8 entered into a Memorandum of Understanding ("MOU") with the Internet
9 Corporation for Assigned Names and Numbers ("ICANN"). The MOU granted
10 ICANN responsibility for, among other things, the technical management of the
11 domain name system. This responsibility had formerly been performed by a loosely
12 knit association of private and public groups, including the United States
13 Government, an unincorporated entity known as the Internet Assigned Numbers
14 Authority ("IANA"), and, pursuant to a contract with the National Science
15 Foundation, VeriSign's predecessor Network Solutions, Inc. ("NSI"). A true and
16 correct copy of the MOU is attached as Exhibit 1 hereto.

17 15. By its terms, the MOU was originally set to terminate on September 30,
18 2000. As reflected in ICANN's website postings of the MOU, it has been extended
19 and amended several times, and is currently in effect until September 30, 2003.

20 16. Pursuant to the MOU, ICANN has entered into written registry agreements
21 with VeriSign for the ".com" and ".net" TLDs. In addition to these registry
22 agreements, ICANN has entered into agreements for the operation of the registries for
23 certain other TLDs, including newly established TLDs such as ".biz," ".info" and
24 others that have come into existence since the MOU was executed in 1999. However,
25 there are numerous other TLDs, including the Country-code TLDs, most of which are
26 *not* overseen by ICANN.

27 17. Also pursuant to the MOU, ICANN has entered into separate Registrar
28 Accreditation Agreements with more than 100 Internet domain name registrars.

1 These agreements contain certain standard terms applicable to every ICANN-
2 accredited registrar. Only ICANN accredited registrars can register domain names in
3 TLDs subject to ICANN's oversight. ICANN has posted the Registrar Accreditation
4 Agreement on its website at www.icann.org. A true and correct copy of the Registrar
5 Accreditation Agreement is attached as Exhibit 2 hereto.

6 18. In addition, VeriSign has entered into separate Registry Registrar
7 Agreements with each registrar accredited by ICANN to register domain names in the
8 .com and .net TLDs. The form of this agreement is approved by ICANN. A true and
9 correct copy of a Registry Registrar Agreement is attached as Exhibit 3 hereto and
10 can be found at www.icann.org.

11 **III. VERISIGN**

12 **A. History of VeriSign**

13 19. On or about May 25, 2001, VeriSign, which succeeded to the registry
14 business of Network Solutions, Inc. ("NSI"), entered into new written registry
15 agreements with ICANN for .com and .net (the "2001 Registry Agreements"), which
16 agreements superseded the 1999 Registry Agreement with NSI. By agreement with
17 VeriSign, plans were also made at the same time to shift responsibility for the .org
18 TLD registry to another registry operator, unrelated to VeriSign. True and correct
19 copies of the 2001 Registry Agreements for .com and .net are attached, respectively,
20 as Exhibits 4 and 5 hereto and can be found at www.icann.org.

21 20. Pursuant to the 2001 .com and .net Registry Agreements, ICANN
22 recognized VeriSign as the "sole operator" of the .com and .net TLD registries, and
23 VeriSign undertook to operate the .com and .net TLD registries in accordance with
24 the terms of the 2001 Registry Agreements and to pay certain registry-level fees to
25 ICANN. Since a registry maintains the authoritative database of second level domain
26 names and IP addresses within a TLD, there necessarily can be only one registry for
27 each TLD. VeriSign is that sole registry for the .com and .net TLDs.

28

1 21. VeriSign competes with the registries of other TLDs. Indeed, VeriSign's
2 commercial and competitive success in operating the .com and .net registries depends
3 in substantial part on its ability to offer services that are attractive to its customers,
4 which include the *registrars* of second level domain names. To serve these
5 customers better and to preserve its competitive position, VeriSign is continually
6 seeking to provide a variety of new value-added services that registrars can offer to
7 their customers to enhance the value and attractiveness for registrants and registrars
8 of second level domain names in the .com and .net TLDs.

9 **IV. VERISIGN'S WAIT LIST SERVICE ("WLS")**

10 **A. The Purpose of WLS**

11 22. In the .com and .net TLDs more than 800,000 domain names are deleted
12 each month and become available for creation and registration by registrants through
13 any of the over 100 ICANN-accredited registrars. Few of these are re-registered
14 within milliseconds of when they become available, often by a minority of
15 individuals and entities who operate as domain name speculators, "stockpiling"
16 domain names, or who register a recently deleted domain name to capture prior
17 "traffic" associated with that domain name. This practice is often practiced by
18 entities seeking to drive traffic to adult sites. As explained below, this number is
19 disproportionate to the "add" transactions submitted to register these domain names.

20 23. Those registrars seeking to register a recently deleted domain name
21 through one of the programs described in plaintiffs' papers do so by programming
22 their systems to transmit literally continuous automated "add" domain name
23 commands to the registry for a particular domain name in an effort to be the first
24 registrar to request the domain name. Since this tactic is followed simultaneously by
25 multiple registrars seeking multiple domain names, and often the same domain
26 names, either individually or in concert with each other, the cumulative effect of
27 these "add storms" has been to overwhelm the registry, threatening or delaying the
28 registry's receipt and performance of other registrar commands, such as to register

1 new domain names, jeopardizing the stability and operation of the registry and
2 negatively impacting registrars who do not participate in such activity. Indeed, in
3 paragraph 6 of his declaration submitted in support of plaintiffs' motion, which I have
4 read, Martin Garthwaite of eNom admits that eNom acts in concert with other
5 registrars to bombard the registry in an effort to acquire desired recently deleted
6 domain names.

7 24. This is confirmed by the number of "add" commands received by the
8 VeriSign .com registry and recent history. In excess of 100 million "add" commands
9 are submitted to the .com registry per day, representing over 95% of all daily
10 commands received by the registry. Furthermore, during the recent implementation
11 of the "Redemption Grace Period" (the 30-day period after a registrar gives the
12 registry a "delete" command for a registered domain name, during which the "delete"
13 command is not effectuated by the registry and the registrar can essentially rescind
14 the command), no domain names at all were deleted from the .com registry.
15 Nonetheless, the number of "add" commands for registered domain names as to
16 which delete commands were pending was virtually unchanged. WLS is intended to
17 lessen the load on the registry and to avoid the operational difficulties that these "add
18 storms" have caused. In addition, registrants have continuously asked to be "next in
19 line" should a current registrant direct or cause its domain name to be deleted from
20 the registry database.

21 **B. Technical Description of WLS**

22 25. Pursuant to its agreements with ICANN and with accredited registrars,
23 VeriSign does not delete a domain name until it receives a specific "delete" command
24 from the registrant's sponsoring registrar directing it to do so. Even then, VeriSign
25 follows an established procedure and timetable in effectuating the delete command in
26 the registry's database. In the absence of a delete command from the sponsoring
27 registrar, and even if the expiration date for a registered domain name has been
28 reached, the registry automatically renews the registration of the domain name.

1 Specifically, after a registration or an automatic renewal, the registrar has 45 days
2 within which to cancel the registration. Following a registrar's submission of a delete
3 command to the registry, the deleting registrar still has the 30-day Redemption Grace
4 Period within which to renew the domain name before the deletion command is
5 actually effectuated in the registry. Thereafter, there is a five-day "pending delete
6 period" before the deletion is complete in the registry's database.

7 26. In the event a prospective registrant inquires about registering a domain
8 name that is already created and registered, the registrant's registrar will submit a
9 WLS subscription order to check to determine whether a WLS Subscription exists
10 for the desired domain name. If there is no existing WLS subscription for the domain
11 name, then --using an interface separate from the shared registration system used to
12 add, delete, and transfer domain names -- the registrar submits a WLS subscription
13 order for that domain name, and the domain name is identified in the WLS database
14 as being a "subscribed" domain name. With WLS, only one subscription will be
15 accepted for each registered domain name on a first-come/first-served basis, and each
16 subscription is valid for a one-year period. Should the requested domain name be
17 deleted and become available for creation and registration during the one-year
18 subscription period, the holder of the subscription will automatically become the
19 registrant of the domain name. The WLS service essentially moved the existing line
20 for domain name registrations to allow for a pre-registration through a registrar if the
21 domain name becomes available.

22 27. WLS Subscriptions are not available from the registry, only through
23 ICANN-accredited registrars, who submit WLS subscription orders directly to
24 VeriSign's .com and .net registries. Registrars are thus the direct customers of the
25 VeriSign registries for WLS.

26 **C. WLS Does Not Prevent Competition**

27 28. WLS does not affect current domain name registrations at all. A registrant
28 will continue to be the registrant of its domain name indefinitely, so long as it

1 continues to renew the domain name in a timely fashion and to meet the requirements
2 of its chosen registrar. A WLS subscription matures into a domain name registration
3 only when a domain name is finally deleted by the registry after the end of the
4 Redemption Grace Period.

5 29. WLS also does not change the manner in which a deleted domain name is
6 processed when there is no WLS subscription for the domain name. At the end of the
7 Redemption Grace Period, if the domain name has not been redeemed or renewed,
8 the deletion of the domain name is effectuated by the registry and the domain name
9 ceases to exist. In the absence of a WLS subscription, the domain name then
10 becomes available for creation and registration through any ICANN-accredited
11 registrar on a first-come/first-served basis, just as it was before WLS.

12 30. However, if the deleted domain name is the subject of a WLS subscription,
13 the domain name is automatically added to the registry database, using the WLS data,
14 or pre-registration, supplied by the registrar sponsoring the WLS subscription at the
15 time the subscription was created. The WLS "subscriber" then becomes the new
16 registrant of the domain name. The registry, through its automated system, notifies
17 the subscription registrar, who updates its registration record to reflect the new
18 domain name registrant. The subscription is cleared from WLS, and a new WLS
19 subscription order can be placed for that domain name through any accredited
20 registrar.

21 31. VeriSign decided to offer WLS to its registrar customers because it offers
22 value, certainty, and efficiency, for registrants and prospective registrants. It is the
23 best way to maximize consumer value for such a service.

24 32. All ICANN-accredited registrars are given an equal opportunity, at an
25 equal wholesale price, to participate in WLS. At the same time, registrars have the
26 option of not participating. WLS is an entirely optional service. Even if they elect
27 not to participate in WLS, registrars, on behalf of their clients, may still register,
28 delete, transfer or otherwise make registered domain names available in the

1 secondary market (e.g. auctions, person-to-person transactions, etc.), or offer all the
2 deleted domain services offered currently, as they have done before WLS.

3 33. Accordingly, registrars participating in WLS will still be in brisk
4 competition with each other with respect to offering the WLS. In fact, WLS services
5 at the registrar level can be differentiated through customer service, marketing,
6 registrar value-added services, or other creative actions, and through "retail" price.
7 Moreover, registrars can offer WLS in conjunction with or to support other recently
8 deleted domain name services with ample differentiation as between those services.

9 34. VeriSign proposed WLS for a one-year test period to allow for:

10 (a) thorough evaluation of the service before making it a permanent offering; (b) the
11 opportunity to gather empirical evidence with regard to (i) demand in the marketplace
12 for subscriptions, (ii) market price tolerance for the WLS, and (iii) the ability of
13 registrars to differentiate WLS service offerings; and (c) refinements to the offering if
14 it is determined to be a valuable service to the public.

15 **D. The Benefits of WLS for the Internet, for Registrars, and for Consumers**

16 35. Even without WLS, several registrars and others have been providing
17 wait-listing type services of various kinds at the registrar level. In essence, these
18 services watch for a desired domain name to be deleted and immediately seek to
19 register it with the registry. To do so successfully, they must be the *first* registrar
20 (among the many that may be seeking the same domain name for their respective
21 customers) to submit a registration request to the registry for the domain name after it
22 has been deleted. The services therefore have to engage in a high-tech "race" with
23 other registrars to "grab" a deleted domain name just as soon as it becomes available,
24 by running automated or robotic "scripts" that continuously query the registry
25 database by submitting "add" domain name commands for domain names that will be
26 deleted in an attempt to register the desired domain name. Their results for customers
27 are entirely hit-or-miss and often provide for a confusing and exploitative experience
28 for consumers. I have also read the July 15, 2003 article by Susan Kuchinskas

1 entitled "Embittered Registrars Sue Embattled ICANN" which appeared on the
2 Internet at <http://siliconvalley.internet.com/news/article.php/2235661>. The article
3 quotes Christine Jones, general counsel for GoDaddy, one of the plaintiffs as
4 admitting: "Each registrar writes its own software that keeps pinging the registry.
5 The one that happens to ping the registry immediately after deletion wins the
6 backordered name." A true and correct copy of the article is attached as Exhibit 6
7 hereto.

8 36. In the process, however, these registrar-level services have technically
9 harmful effects and threaten the stability of the Internet, because the robotic "add
10 storms" cause enormously high (and ever-increasing) registry database loads,
11 threatening the stability of the registry database and Domain Name System and
12 thereby the Internet. Moreover, this method of operation is highly inefficient.
13 Substantial registry resources are necessary to support, handle, and respond to the
14 automated "add" inquiries of the registrars trying to register recently deleted domain
15 names, a function for which the registry systems were not designed and which
16 ultimately draws resources and efficiency from the system designed to serve all
17 registrars for all domain name registration functions. Stated another way, the actions
18 of a few registrars in bombarding the registry database significantly disadvantaged
19 the majority of registrars.

20 37. Typical of this inefficiency is one recent 17-day period when, in efforts to
21 register recently deleted domain names, registrars initiated an average of nearly
22 500,000 "add" attempts in VeriSign's registry systems for *each* one successful new
23 domain name registration. The non-WLS system for registering deleted domain
24 names gives registrars the incentive to inundate the registry system with domain
25 name queries and "add" commands without regard to the cost to or the impact on the
26 registry infrastructure, other registrars, or the functioning of the Domain Name
27 System.

1 38. WLS has the effect of reducing system load for these constant checks of
2 target domain names. The excessive demand on operational resources of the registry
3 for all registrars will be reduced, and system access will be retained at a reasonable
4 and safe level. By the same token, WLS also preserves the operational resources of
5 registrars. Once a domain name is under WLS subscription, registrars no longer need
6 to engage in the inefficient process of making continuing, constant checks for the
7 WLS-subscribed domain name. This may be the reason a majority of registrars, as
8 measured by market share, have indicated their approval of WLS, not to mention that
9 the majority of registrars do not employ the robotic tools that bombard the registry
10 database.

11 39. Furthermore, WLS is more open and transparent than the registrars' prior
12 informal "wait list" system. WLS provides *all* registrars with an *equal* opportunity to
13 register a domain name that may be deleted, in a way that is simple and clear. It does
14 not favor speculators or those registrars with elaborate and disrupting automated
15 systems. Rather, WLS ensures a "fair playing field" and equivalent access for all
16 registrars regardless of their market or technological advantage.

17 40. The benefits of WLS extend not only to VeriSign's direct customers
18 (registrars) but also to end-users (registrants and prospective registrants). WLS
19 provides a simple, fair, low-cost and easy to understand procedure for registering
20 recently deleted domain names. The registrar services for registering deleted domain
21 names have low efficacy rates. They offer mere "chances" at registering a domain
22 name that is already registered by someone else. WLS, on the other hand, provides a
23 100% certainty that if the domain name is deleted, the domain name will be
24 registered to the WLS subscriber, with the attendant business certainty for the WLS
25 subscriber of knowing it is "first in line" or pre-registered for a particular domain
26 name should it become available. The benefit to the consumer by a registrar offering
27 this service is apparent.

28

1 **E. The Price of WLS**

2 41. VeriSign is following a wholesale billing model for WLS. Specifically,
3 VeriSign will charge registrars for each WLS subscription order at the time the
4 subscription order is actually placed (not merely inquired about). The registrars, in
5 turn, determine how or if to promote and retail WLS to their resellers and customers.
6 VeriSign has no ability to control, and is not attempting to control, the prices of WLS
7 subscriptions to consumers.

8 42. This is very much how the pricing model works today for new
9 registrations. VeriSign charges all registrars \$6.00 per domain name registration.
10 Registrars, in turn, are charging end-users up to \$35.00 per domain name registration.

11 43. VeriSign plans to set a wholesale price for WLS between VeriSign and
12 registrars at \$24.00 for a one-year subscription. VeriSign has chosen this price point:
13 (a) so that VeriSign can recoup its costs associated with securing and maintaining
14 partners and licenses to offer WLS; (b) so that VeriSign can recoup its costs of
15 developing, implementing, and maintaining the technology for WLS, and (c) so that
16 VeriSign can make a reasonable profit on the service.

17 44. Because WLS is being offered for only a one-year trial, and the volume of
18 subscriptions that will be sold is uncertain, VeriSign needs to amortize its start-up
19 costs over just a one-year period. However, if the price for WLS (which has been
20 approved by ICANN) were too high, WLS subscriptions will not be purchased.

21 45. Significantly, this price for WLS is less than the current market price for
22 less reliable and less efficient registrar wait listing services. For example, Dotster's
23 NameWinner service allows prospective registrants to place "bids" starting at \$25.00.
24 Other similar services retail for \$69.00, and the rate of uptake is increasing even at
25 that price. For example, eNom's service retails for \$99.00. In fact, in a July 25, 2002
26 article in ComputerWire, the President of Dotster was quoted as saying: "We
27 probably could make more money through WLS than through NameWinner." A true
28 and correct copy of the article is attached as Exhibit 7 hereto.

1 **F. WLS Would Not Impact Current Processes for**
2 **Registering Recently Deleted Names.**

3 46. Current processes for registering deleted domain names are unaffected by
4 WLS. The current registrar technology will still be available for all domain names
5 for which there is not an active WLS subscription.

6 47. WLS does not impact to any degree the ability of end-users to register new
7 (currently unregistered) domain names in the .com and .net TLDs through any of the
8 more than 100 existing ICANN-accredited registrars for the .com and .net TLDs. It is
9 also important to note that, because other gTLDs and ccTLDs are now pervasive in
10 the marketplace, neither a .com or a .net registration, nor a WLS subscription, is a
11 necessity. Indeed, the percentage of registrations in the .com and .net TLDs have
12 been steadily declining over the past several years, while those in other TLDs have
13 been rapidly increasing. WLS would have no impact on the processes for registering
14 recently deleted domain names in .org, .biz, or any of the more than 200 other gTLDs
15 and ccTLDs.

16 48. Notwithstanding WLS, end-users will also still be able to negotiate
17 directly with the current registrants to acquire a domain name by transfer. Upon
18 registration of a particular domain name, each registrar must, pursuant to the
19 Registrar Accreditation Agreement, provide public access to certain information
20 identifying the registrant in a "Whois" database. The Whois database is a publicly
21 accessible online tool that can be used to determine if a domain name is already
22 registered and to view certain contact information for the registrant of the domain
23 name. Using the Whois database, prospective registrants can contact the current
24 registrant of a desired domain name and offer to purchase the registration. WLS has
25 no impact on this process for obtaining and transferring domain names.

26 49. Nor does WLS adversely impact the ability of prospective registrants to
27 scour auction sites to purchase currently registered domain names. End-users can
28 check these sites to determine if a domain name registration they are interested in, is

1 being offered for sale, and, if so, they can follow the procedures of the auction sites to
2 bid on the domain name registration.

3 50. WLS likewise does not impact the ability of end-users to obtain and
4 register domain names by initiating dispute proceedings. End-users succeeding on a
5 ICANN Uniform Dispute Resolution Policy (UDRP) complaint and/or in a court
6 proceeding can have the registration of subject domain names transferred.

7 51. Furthermore, even with WLS, vigorous competition will still exist among
8 registrars, just as it does now, to get prospective registrants to use a given registrar for
9 the purpose of inquiring about the availability of domain names and placing WLS
10 subscriptions, or using competitive recently deleted domain name services.

11 52. To the extent WLS may displace some of the current registrar services for
12 registering deleted domain names in the .com and .net TLDs, it will be because WLS'
13 reliability and efficiency make it preferable to consumers.

14 **V. HISTORY OF CONSIDERATION OF WLS**

15 53. For more than 22 months, VeriSign has been working with ICANN and
16 the Internet community to design and implement WLS. This review process was
17 completed, and ICANN approved the service on August 23, 2002. Nevertheless,
18 dissatisfied with the established process and to block competition by other registrars
19 who elect to use the service, certain registrars continue to delay VeriSign's
20 implementation of WLS.

21 54. I, or other employees of VeriSign working on WLS under my supervision
22 and reporting to me in the normal course of business, have been personally present
23 during and participated in ICANN meetings during that period at which WLS was
24 discussed, including, but not limited to, the meetings discussed in the following
25 paragraphs of this declaration.

26 **A. Early History**

27 55. Discussion of the concepts underlying WLS began in September 2001, at
28 ICANN's meetings in Montevideo, Uruguay, in an open session among registrars,

1 registries, and other interested parties. Those discussions continued among the
2 participants by e-mail exchanges, and finally resulted in a request by the “registrar
3 constituency” for a specific WLS proposal from VeriSign. VeriSign presented the
4 original WLS proposal on December 30, 2001. A true and correct copy of this
5 proposal is attached as Exhibit 8 hereto.

6 56. VeriSign made the proposal to solicit input concerning WLS and to
7 determine whether sufficient marketplace interest existed for such an offering. After
8 additional discussions, VeriSign addressed and responded to various concerns raised
9 by certain members of the Internet community, among other things, significantly
10 reducing the contemplated annual fee for WLS. VeriSign publicly issued revised
11 WLS proposals on January 28, 2002, and on March 20, 2002.

12 57. On April 22, 2002, the ICANN Board resolved (in Resolutions 02.53 to
13 02.56) that one of ICANN’s constituent bodies undertake a comprehensive review of
14 WLS. In response to the resolution, ICANN’s Names Council and its Transfer Task
15 Force engaged in extensive discussions and outreach efforts concerning WLS. On
16 June 30, 2002, while the Task Force was still engaged in its work, ICANN reported to
17 DOC that “Negotiations between ICANN and VeriSign concerning the definitive
18 terms for offering the WLS service are in the final phase of resolution.” A true and
19 correct copy of ICANN's report is attached as Exhibit 9 hereto. On July 14, 2002, the
20 Task Force issued its final report, making two recommendations, one of which
21 described conditions under which the ICANN Board should approve WLS.

22 **B. ICANN’s Approval of WLS**

23 58. On August 23, 2002, acting in light of the Task Force report, the ICANN
24 Board determined that WLS “promotes consumer choice” and that the “option of
25 subscribing to a guaranteed ‘wait list’ service is a beneficial option for consumers.”
26 For these reasons, the Board approved a resolution (Resolution 02.100), authorizing
27 (with certain conditions, imposed largely to address the stated concerns of registrars)
28 the president and general counsel of ICANN to negotiate appropriate revisions to

1 VeriSign's registry agreements to allow for the offering of WLS. A true and correct
2 copy of the Minutes of the August 23, 2002 Special Meeting of the Board reflecting
3 this resolution is attached as Exhibit 10 hereto.

4 **C. The Plaintiffs' Efforts to Delay the Implementation of WLS**

5 59. Registrars comprising the plaintiffs actively participated in the ICANN
6 review process. On March 10, 2002, ICANN's "registrar constituency" issued a
7 position paper opposing WLS, and urging ICANN to withhold permission for its
8 implementation.

9 60. On September 12, 2002, after the Board had approved WLS, Kevin E.
10 Brannon, counsel for Dotster, Inc. ("Dotster") and now counsel for the plaintiffs, filed
11 a formal request for reconsideration of the Board's decision regarding WLS. In the
12 request, Mr. Brannon recognized that "the effect of adoption of the WLS proposal is
13 to implement the WLS proposal by VeriSign." Mr. Brannon's letter was publicly
14 posted on the ICANN website and received by VeriSign. A true and correct copy of
15 Mr. Brannon's letter is attached as Exhibit 11 hereto.

16 61. On May 20, 2003, ICANN's Reconsideration Committee determined that
17 Dotster's request lacked merit, and recommended that the Board take no action on it.
18 A true and correct copy of the Committee's recommendation is attached as Exhibit 12
19 hereto. Indeed, after further consideration, the ICANN Board not only chose not to
20 adopt Dotster's changes but, on June 2, 2003, approved a further resolution
21 (Resolution 03.80), limiting the conditions it had originally sought to impose in
22 connection with WLS. A true and correct copy of the Minutes of the June 2, 2003
23 Meeting of the Board reflecting this resolution is attached as Exhibit 13 hereto.

24 **VI. ENJOINING THE IMPLEMENTATION OF WLS WOULD BE**
25 **PREJUDICIAL TO VERISIGN AND DETRIMENTAL TO THE**
26 **PUBLIC.**

27 62. Plaintiffs have been aware of VeriSign's plans to launch WLS since at
28 least December 2001, and have been aware of ICANN's approval of WLS since

1 August 2002. In addition, as part of their request for reconsideration of ICANN's
2 approval of WLS in September of 2002, certain of the registrars asked for a
3 "temporary stay" of the WLS proposal. ICANN never granted a stay during the
4 pendency of its review

5 63. VeriSign does not plan to launch WLS until October 2003. Attached as
6 Exhibit 15 hereto is a true and correct copy of a press release that VeriSign issued on
7 June 24, 2003, regarding the launch of WLS. On June 27, 2003, VeriSign
8 specifically informed counsel for the plaintiffs that WLS will not be launched until
9 October 2003. A true and correct copy of a letter from Brian Davis is attached as
10 Exhibit 16 hereto.

11 64. As the ICANN Board found both when it first approved WLS and when it
12 considered Dotster's request for reconsideration, WLS *removes* impediments to
13 competition; it does not create them. By equalizing access to recently deleted domain
14 names, WLS expands competition. That consumers may find WLS to be more
15 attractive than current services reflects not the elimination of competition, but the
16 operation of competition.

17 65. To develop WLS, VeriSign entered into a license agreement with
18 SnapNames, Inc., a privately held company in Portland, Oregon, which has
19 developed the patent pending "parallel registry technology" that makes WLS work.
20 An injunction against implementation of WLS will jeopardize VeriSign's contractual
21 commitments both with SnapNames and with other third-parties and threaten
22 VeriSign's ability to perform those contracts.

23 66. An injunction against the implementation of WLS, after VeriSign has
24 announced to the Internet community and to the public that WLS will be offered
25 commencing in October of 2003, will result in a material loss by VeriSign of good
26 will and reputation that cannot be readily calculated or compensated for in strict
27 dollar terms. It will also result in lost profits that, because WLS is a new service,
28 cannot be readily measured. Moreover, even if the lost profits from WLS could be

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computed, Plaintiffs may not have the financial resources fully to compensate VeriSign if the injunction is later dissolved. An injunction will also result in the loss of more than 21 months of development and start-up costs devoted to WLS.

67. Finally, Plaintiffs' papers, which I have read, suggest that Plaintiffs be permitted to participate in registrations under a contract to which they are not parties and are not beneficiaries. I am aware of no business relationship or contractual concept that permits third parties and those seeking to limit and stop services that compete with services they offer to gather as a group and participate in contract negotiations to limit or stop competing services.

I declare under penalty of perjury that the foregoing is true and correct.
Executed on July 17, 2003, at Dulles, Virginia.

